

FISCAL NOTE
SB 2731 - HB 3171

March 6, 2000

SUMMARY OF BILL: Amends TCA 8, Chapter 27, Part 7 as follows.

- Provides that any retiree or dependent of a retiree who is eligible to participate in a supplemental medical insurance program may elect to participate in such supplemental medical insurance program or remain in the applicable group insurance plan as a supplemental medical insurance program to Medicare.
- Requires the employer support levels for any eligible retiree electing to remain in the plan to be the same as the premium payable on behalf of retirees who elect to participate in the supplemental medical insurance program.
- Allows any retiree or eligible dependent who participates in a supplemental medical insurance program and who was not given the option of remaining in the applicable group insurance plan to transfer back to such group insurance plan. The option to transfer back must be made on a form prescribed by the state insurance committee and filed with the department of finance and administration.
- Requires the state insurance committee to establish an initial enrollment period for such retirees and dependents to make the election provided for under this bill. The election shall not be effective earlier than January 1, 2001. Thereafter, the committee may permit supplemental enrollment elections under such terms and conditions as the committee deems necessary and reasonable.
- The bill would not apply to retired county judges, county officials or to any retirees of employers participating in the Tennessee Consolidated Retirement System pursuant to TCA Title 8, Chapter 35, Part 2 or to any of their dependents unless authorized by the local government insurance committee created by TCA 8-27-207.
- The provisions of this act shall be subject to the funding being provided in the general appropriations act.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Not Significant

Estimate assumes:

- Premiums charged for the continuation coverage would offset the additional benefit and administrative costs associated with implementation of the bill.
- The number of additional retirees remaining in one of the plans and receiving state support can be supported by the current appropriation.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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